

DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILEB-207700

DATE: November 4, 1982

MATTER OF: Integrity Management International,
Inc.

DIGEST:

1. Under procurement conducted in accordance with Office of Management and Budget Circular A-76 cost comparison procedures, GAO will consider only question of whether or not cost comparison was correct and performed in good faith, not the issue of the alleged failure to timely announce the Government estimate at bid opening.
2. Protester's challenge to calculation of two line items of Office of Management and Budget Circular A-76 cost comparison to GAO is dismissed where protester did not file specific objections to these two items with agency under agency's appeal procedure.

Integrity Management International, Inc. (IMI), protests the determination by the Department of the Navy to provide screening and identification services for material returned to the supply system from ships and shore stations in-house rather than contracting the services out under invitation for bids (IFB) No. N00244-82-B-3778. This determination resulted from a cost comparison under Office of Management and Budget Circular No. A-76 (A-76), between the Government's in-house estimate and the bid of the low commercial bidder under the IFB, IMI.

We dismiss the protest.

Public bid opening was held on May 21, 1982. Both the Navy and IMI agree that the Navy contracting official announced that the Government estimate was low without revealing the cost figures. Apparently, the Navy did not complete the cost comparison form to reflect the low bid at bid opening, and IMI did not obtain the cost comparison

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figures until May 26, 1982. On June 4, 1982, the Navy denied IMI's protest that this violated the solicitation requirements concerning the time of announcement of the Government estimate, and, therefore, the Government's estimate was late and should not have been considered, and that the wage structure and fringe benefit rates used in the comparison were improper.

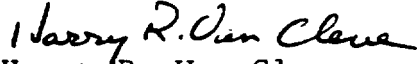
The solicitation provided that bids and the sealed Government in-house estimate would be opened and the results announced at bid opening, and that there would be 10 working days for public review of the cost comparison data. The Government estimate was opened, the result of the cost comparison was announced at bid opening and 3 working days later, IMI obtained the backup cost figures. In a case involving an analogous issue, the alleged failure of an agency to timely complete and seal an A-76 in-house estimate, we stated that:

* * * * we believe the pertinent question is whether a fair and reasonable cost comparison was made, not whether the sealed in-house cost estimate was submitted late to the contracting officer. Therefore, we need only consider * * * [the protester's] contention that the cost comparison was incorrect and not performed in good faith. * * * " Jets, Inc., 59 Comp. Gen. 263 (1980), 80-1 CPD 152.

Accordingly, we will not consider this aspect of the protest. In any event, we note that the record indicates that the audited in-house estimate dated May 10, 1981, prior to bid opening, is the same as the final estimate provided to IMI.

In its letter to GAO commenting on the Navy's protest report filed with this Office on September 1, 1982, IMI alleges that the cost comparison was incorrect because, in its view, the Navy incorrectly calculated general and administrative costs and the 2-percent discount offered by IMI. IMI did not object to these calculations when it initially protested to the Navy. In similar circumstances, we dismissed the protest of cost comparison line calculations where the protester had not filed specific objections to the protested line items under the agency's appeal procedure. See Dyneteria, Inc., B-205487, June 1, 1982, 82-1 CPD 506.

The protest is dismissed.


Harry R. Van Cleve
Acting General Counsel

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